



COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

Canberra A.C.T.

PLEASE QUOTE THIS NUMBER IN REPLY.

9th July, 1940.

FREM/MP.

CHANGES IN EMPLOYMENT AND UNEMPLOYMENT SINCE
THE OUTBREAK OF WAR.

The following statement summarises the changes in the employment and unemployment position in the six States between August, 1939 and May, 1940.

In interpreting these changes the following considerations should be kept in view:-

(a) There is an unavoidable element of estimation in some of the figures used.

(b) The figures showing changes in employment are in general more comprehensive and dependable than those showing changes in unemployment.

(c) Employment can, and frequently does, increase without a corresponding decrease in unemployment. This has been particularly important in the period from August to May, since expanding requirements for labour have been met in part from additions to the total supply of wage or salary earners.

(d) Normal seasonal variations affect the comparison of the position in August, 1939 with that of May, 1940.

(e) Allowance must be made for the effect of enlistments upon -

(i) the number of wage or salary earners available for employment in normal activities;

(ii) the changes in unemployment indicated by the Trade Union percentages and the Labour Exchange registrations.

(f) Because of the policy of selective recruiting by reference to the list of Reserved Occupations, the effect of enlistments upon the figures recorded for different fields of employment may, at least for some time, be unequal.

/TOTAL

TOTAL EMPLOYMENT.

AUSTRALIA. The estimated total number of wage or salary earners in employment in normal activities in August was 2,088,000 and in May, 2,128,000, an increase of 40,000 or 1.9 per cent. Total employment increased progressively month by month from August to March, except for the sharp seasonal rise from 2,151,000 in November to 2,190,000 in December, and the drop to 2,153,000 in January. The total reached 2,164,000 in March, representing an increase of 76,000, or 3.6 per cent. over August. Whilst the normal seasonal recovery from the winter to the summer months operated in the earlier part of the period, there is much evidence to suggest that other factors were responsible for the greater part of the increase. The net decreases from March to April and April to May are again partly to be accounted for in most States by the seasonal factor. Another important factor accounting for the net decreases in April and May, however, was the coal strike, which affected normal employment adversely in a number of industries apart from the Coal industry itself. It should be noted that the figures of employment include about 890 mine-workers on strike in New South Wales in February and about 14,000 in March. April and May (See Table N.III).

The increase in employment shown in Table A.I. is all the more noteworthy since, in general, enlistments are not included in the figures. From data confidentially supplied it is estimated that, from the outbreak of war until the end of May, about 64,000 men enlisted in the various Defence Services^(a). Assuming that at least 90 per cent. of the enlistments, i.e. about 58,000, were of men in the wage or salary earning class, and that relatively few of these are included in the figures of Table A.I., the total increase in all employment (including Defence Services as well as normal economic activities) from August to May can be estimated roughly at about 98,000 or nearly 4.7 per cent. of the numbers employed in August.

It is not possible to estimate from existing data how far these jobs have been filled respectively from (a) registered unemployed, (b) unregistered unemployed (largely skilled and semi-skilled men who usually do not take advantage of the services of the Labour Exchanges), (c) a net flow of women and girls into industry, (d) acceleration in the rate of school-leaving by boys, (e) self-employers in certain vocations affected adversely by the

/war

(a) This 64,000 was made up as follows:- Military Personnel, 47,200; R.A.A.F., 10,100; R.A. Navy, 6,600. On 1st July total enlistments were approximately 121,000 (Military Personnel, 101,000; R.A.A.F., 13,000; R. A. Navy, 7,000).

war (e.g. import trades, building trades, etc.), (f) normal natural increase of the wage or salary earning group available for employment (approximately 27,000 in the period from August to May).

THE STATES. Proportionately to the numbers estimated to be in employment in August, the increases in the States were very unequal. March, April and May, however, are months of low seasonal, but gradually rising, employment for Queensland and months of high seasonal, but gradually declining, employment for Tasmania (March being respectively the trough and peak month of employment for the two States); and the striking decline in employment in Queensland and increase in employment in Tasmania are due chiefly to seasonal factors.

The distribution, by States, of the increase in employment from August to May in normal activities and, by State of enlistment, of enlistments of salary or wage earners (assuming nine-tenths of all enlistments in all States were of wage or salary earners) from August to the dates mentioned was approximately as follows:

State	Employment (to Mid- May 1940)	Enlistments to end of May 1940	Approximate Total Increases
New South Wales ..	+ 1,700	+ 18,100*	+ 19,800
Victoria ..	+ 46,200	+ 16,900	+ 63,100
Queensland ..	- 17,400	+ 8,400	- 9,000
South Australia ..	✓ 3,700	+ 5,200	+ 8,900
Western Australia ..	✓ 600	+ 5,700	+ 5,100
Tasmania ..	+ 6,900	+ 3,000	+ 9,900
Northern Territory ..	-	+ 250	+ 250
AUSTRALIA:	+ 40,500	+ 57,550	+ 98,050

✓ Military Personnel to 27th May, R.A.A.F. to 1st June, R.A. Navy to 31st May.

* Including Australian Capital Territory.

✓ Decrease predominantly due to seasonal factors and Coal Strike in March, April and May.

✓ Increase largely due to seasonal influences.

In August, 1939, approximately 80 per cent. of estimated total employment in normal activities was in the private field and 20 per cent. in the governmental field (including Government business undertakings, public works, etc.). Of the net increase of 76,000 from August to March, about 69,700 additional persons were directly employed by private employers and

/about

about 6,300 additional persons were directly employed by public authorities. The net increase in total employment from August to May, however, was 40,500. Of this net increase, about 31,900 additional persons were directly employed by private employers and about 8,600 additional persons were directly employed by public authorities. The net decrease in employment from March to May for Australia as a whole was therefore entirely in the private field which was more directly affected by seasonal factors and the coal strike.

The main features in the absorption of additional numbers since August in both private and governmental fields are outlined below. It should be kept in mind that men enlisted for war services are in general not included in the figures either for private employment or for governmental employment; nor are part-time relief workers included in the latter.

PRIVATE EMPLOYMENT.

Of the net increase from mid-August to mid-March of about 69,700 in direct employment by private employers throughout Australia (i.e. before the coal strike had begun to affect employment seriously), it is estimated that the net increase in manufacturing amounted to about 43,000, or 62 per cent., (although Government factories account for at least 700 of this increase), and in retail trade to about 3,280, or 4.7 per cent. Of the net increase from mid-August to mid-May of about 31,900 in direct employment by private employers throughout Australia, it is estimated that the net increase in manufacturing amounted to about 27,700, or 86 per cent., (Government factories accounting for at least 1,400 of this increase), and in retail trade to about 4,700, or 14 per cent. The balance of each increase, viz. 23,420 from mid-August to mid-March, and about 1,000 (allowing for duplication of Government factories) from mid-August to mid-May, is a net figure for remaining fields of employment.

It is not possible to measure the extent of the increases and decrease in these remaining fields for Australia as a whole. Some indication may be obtained by examining the general direction of changes in all fields in New South Wales. Manufacturing employment in New South Wales showed a net increase of 16,000 from mid-August to mid-March and of

/12,000

12,000 from mid-August to mid-April, but there was no increase in manufacturing employment from mid-August to mid-May. In the field of retail trade (including restaurants) there was a net increase of 1,380 from mid-August to mid-March and of 350 and 970 from mid-August to mid-April and mid-May respectively. Most of the balance of the net increase in the private field, viz., 15,700 from mid-August to mid-March, 6,000 from mid-August to mid-April and 1,516 from mid-August to mid-May, is accounted for by increases in offices and commerce, transport, wholesale trade, amusements and other miscellaneous activities, less decreases in building and construction, coal and other mining, and rural industries affected by normal seasonal variation. As mentioned earlier, the figures for coal mining include the numbers on strike during the latter part of March and during April and May.

The net decrease of 16,000 from March to May, in manufacturing employment in New South Wales was accounted for principally by heavy net decreases in the metal working and engineering*, and food and drink industries. There were smaller decreases in non-metal mine products, chemicals, skins and leather, clothing, wood-working, heat, light and power, and other miscellaneous fields, and slight increases in textiles and rubber.

EMPLOYMENT BY PUBLIC AUTHORITIES.

The figures of employment by Public Authorities (Tables A.V., N.V., N.VI., V.II., Q.II., S.II., W.II. and T.II) exclude persons enlisted for war service and part-time relief workers.

From mid-August to mid-May total employment by Public Authorities in Australia increased from 408,000 to 416,600, i.e. by 8,600. This was a net increase. Direct employment by the Commonwealth Government increased by about 11,600 and by the State Governments by about 3,000. Direct employment by Semi-Governmental bodies decreased, however, by about 1,800 and employment by Local Government authorities by about 4,050.

The following table shows the increases or decreases in the four types of Public Authority employment in each State:

/DIRECT

* Due chiefly to the coal strike.

DIRECT EMPLOYMENT BY PUBLIC AUTHORITIES.

Changes from August, 1939 to May, 1940.

State	Commonwealth Government	State Government	Semi-Government	Local Government
New South Wales	+ 3,812	+ 2,414 ¹	- 1,699	- 1,469
Victoria ..	+ 6,182	+ 2,112	+ 13 [*]	- 58
Queensland ..	+ 681	- 990	- 121	- 1,527
South Australia	+ 558	- 423	- 308	- 693
Western Australia	+ 256	- 452	- 125	- 259
Tasmania ..	+ 149	+ 402	+ 440	- 61
TOTAL:	+ 11,638	+ 3,063	- 1,800	- 4,067

¹ Including Commonwealth Defence Works under State supervision.

^{*} Approximate. Geelong Harbour Trust is here included in Semi-Governmental. See footnote, Table V.II.

In Table N.VI. particulars are included for New South Wales of the numbers of State and Semi-governmental employees engaged on works financed from (a) revenue sources and (b) loan expenditure. The figures in this Table exclude part-time relief workers. From August to May direct State Government employment on revenue account increased from 86,195 to 87,142, or by 947, and on loan account (principal departments) it decreased from 8,041 to 5,796, or by 2,245. Semi-governmental employment on revenue account decreased from 6,267 to 6,178, or by 89, and on loan account (Metropolitan Water Sewerage and Drainage Board and Hunter District Water Board) decreased from 6,337 to 4,692, or by 1,645. Total employment on revenue account for State Government and Semi-governmental authorities together increased from 92,462 to 93,320, or by 858, and total employment on loan account (principal bodies only) decreased from 14,378 to 10,488, or by 3,890.

CHANGES IN UNEMPLOYMENT.

Neither quarterly percentages of unemployment in reporting trade unions nor unemployment registrations of the State Labour Exchanges afford a measure of total unemployment (see Supplementary Notes to Tables A.VIII., and A.IX. with Issue No. 3). Quite apart from the fact that they do not include unemployed persons who do not register, the registration figures shown in Table A.X. are not strictly comparable between States, partly because of differences in conditions and methods of registration in the several States, and partly because the figures refer variously to adult

males, males, persons or other combinations of sex and age. The inclusion of those engaged on part-time relief work or working for sustenance is necessary in order to achieve a greater degree of comparability. Full-time relief workers are not included.

The net decreases in unemployment indicated by the movement of the trade union percentages and the numbers of registrations reflect in part the improvement in employment in normal activities, and in part the effect of enlistments for war service. But they do not indicate how far unemployment at a whole has been reduced by the absorption of workers into industry and war service.

TRADE UNION UNEMPLOYMENT. Table A.VIII. shows the unemployment percentages for the reporting unions in the States and Australia. From the September Quarter of 1939 to the March Quarter of 1940, (i.e. from mid-August to mid-February), the percentage for Australia decreased from 10.2 to 7.9. The number of unemployed in the membership of the reporting unions decreased from 48,888 to 38,307, or by 10,581, while the membership itself increased from 478,000 to 483,806, or by 5,806.

In New South Wales the percentage decreased from 11.6 to 9.7; in Victoria from 11.2 to 6.5; in Queensland there was no change from 5.8; in South Australia the percentage decreased from 9.4 to 8.5; in Western Australia from 8.2 to 6.9; and in Tasmania from 8.3 to 4.8. The magnitudes of the percentages for each State cannot be taken even as a rough measure of the relative degree of total unemployment in the several States. Except for Queensland and Western Australia, the direction of change in unemployment among reporting unions was, however, in substantial conformity with the direction of change in estimated total employment in normal activities.

Table A.IX. shows the Trade Union unemployment percentages in the principal industrial groups. Substantial decreases in unemployment among the trade unionists concerned occurred in I. Wood, Furniture etc., II. Engineering, Metal Works, etc., III. Food, Drink, Tobacco etc., IV. Clothing, Hats, Boots, etc., VIII. Mining, Quarrying, etc; less substantial decreases occurred in V. Books, Printing etc. and VI. Other Manufacturing; and an increase occurred in VII. Building.

UNEMPLOYMENT REGISTRATIONS. Table A.X. shows the numbers of unemployed registered at the State Labour Exchanges. Total registrations decreased from 114,593 in

August to 99,110 in May, i.e. by 15,483. This was a net decrease. Registrations decreased in New South Wales from 52,851 to 50,851, i.e. by 2,000; decreased in Victoria from 21,938 to 10,476, i.e. by 11,462; increased in Queensland from 22,406 to 25,927, i.e. by 3,521; decreased in South Australia from 8,859 to 6,246, i.e. by 2,613; decreased in Western Australia (for which the figures may contain some duplication), from about 6,170 to about 5,201, i.e. by about 969; and decreased in Tasmania from 2,369 to about 700, i.e. by about 1,669. The direction of change from August onwards in the unemployment registrations was in substantial conformity with the direction of change in estimated total employment in normal activities in each State. The increase in registrations in Queensland, and the relatively big decrease in registrations in Tasmania, are to be attributed largely to seasonal influences. In three States (Victoria, Queensland and Western Australia) there was a decrease in the number of registrations in May compared with April, the increase being only slight in the other States.

Unemployment Registrations by Localities: Tables N.VII., V.III., Q.III., Q.V., S.III., W.III., and T.III show unemployment registrations by principal localities. The table below shows for each State the changes in the numbers of registrations at (a) Metropolitan Exchanges, (b) Exchanges in the principal provincial towns, and (c) Exchanges in the rest of the State.

UNEMPLOYMENT REGISTRATIONS BY LOCALITIES

Changes from August, 1939 to May, 1940.

State	Metro-politan	Provincial Towns	Rest of State	Whole State
New South Wales	- 3,289	Broken Hill, Lithgow, Maitland, Newcastle, Wollongong. + 3,102	- 1,813	- 2,000
Victoria ..	- 6,420	Ballarat, Bendigo, Geelong, Mildura, Warrnambool, Wonthaggi. - 1,616	- 3,426	-11,462
Queensland ..	- 688	Ipswich, Rockhampton, Townsville. - 1,003	+ 5,212	+ 3,521
South Australia	- 1,888	Moonta, Kadina, Murray Bridge, Gawler, Port Pirie, Mt. Gambier. - 314	- 411	- 2,613
Western Australia*	- 316	Fremantle, Goldfields - 172	- 8	- 496
Tasmania ..	- 487	Launceston - 148	- 975	- 1,610
TOTAL:	-13,088	- 151	- 1,421	-14,660

* State Labour Exchange only, i.e. excluding numbers on Relief Work and Sustenance Record Card Index of Department of Employment. This decrease does not correspond to the decrease of 15,483 referred to in the text because for Western Australia the changes by localities apply only to the registrations at the Labour Exchange proper.

Thus there was a substantial reduction (over 13,000) in unemployment registrations in metropolitan areas from August to May. Relative-ly to the numbers on the registers in metropolitan areas in August, the decrease in Melbourne (from 12,083 to 5,663) was more marked than the decrease in Sydney (from 30,392 to 27,103). As between August and April the decrease in Melbourne was from 12,083 to 5,883 and in Sydney from 30,392 to 27,053.

Between August and April registrations for Australia in principal provincial towns showed an increase, but there was a net reduction in the principal provincial towns (allowing for the increase in New South Wales) from August to May. The increases in registrations in metropolitan and provincial centres from March to May, particularly in New South Wales (Sydney 1,185, Newcastle 2,824, Wollongong 1,466), were chiefly due to the coal strike. In areas outside the metropolitan and the principal provincial towns there was a net increase from August to April of about 2,300, but a net decrease from August to May of about 1,400. This net decrease is accounted for solely by the decreased registrations in Queensland, and is to be attributed almost entirely to the gradually rising employment after the normal seasonal inactivity in rural areas in the early part of the year. The same seasonal factor explains the large increase in registrations at the Labour Exchanges in Queensland provincial towns up to February. With improving seasonal conditions for employment in Queensland between the end of January and the end of May, total registrations decreased by 9,874. They may be expected to decrease still more as the late winter months are approached.

Unemployment Registrations according to Trade or Occupation:

Tables V.IV., Q.IV., Q.V., S.IV., and T.IV. show for Victoria, Queensland, South Australia and Tasmania respectively, Labour Exchange unemployment registrations classified according to trade or occupation. The limited significance of the figures in these tables should be kept in mind. In the first place they are classified only into broad categories of usual industry, trade or occupation, and the classification must frequently be based on the unsupported claims of the persons registering. The majority of those who register are classed as general labourers. The proportions of the total represented by general labourers in recent months were - Victoria

/(metropolitan)

(metropolitan) 54 per cent., Queensland 63 per cent., South Australia 84 per cent., Tasmania 90 per cent. (The proportion for New South Wales was probably 80 per cent. and for Western Australia 75 per cent.). The classifications at present used in the table for persons other than general labourers do not give a comprehensive view of the trends in unemployment among persons of particular skills. Even if a purely occupational classification common to all States were adopted, the figures would still be of doubtful utility for this purpose, since large numbers of skilled and semi-skilled workers apparently do not register for employment at the Exchanges. Also, many registering as labourers may have occupational skills.

The conclusions to be drawn from the figures given in Tables V.IV., Q.IV., S.IV., and T.IV. may be summarised as follows:

Between August and May there was a considerable decrease in the registrations of general labourers in Victoria, South Australia and Tasmania^(a), and a considerable increase in Queensland. Registrations of persons whose usual occupation is associated with shipping (including wharf labour) decreased in Victoria and Tasmania. No registrations of men of this class were made in South Australia, and they are not shown for Queensland. Registrations of persons whose usual occupation is in agricultural, pastoral and other rural pursuits decreased in Victoria, South Australia and Tasmania, but increased considerably in Queensland. The May registrations, however, for Queensland showed a decrease in this class compared with April.

For persons whose usual occupations are associated with the following industries, trades or services, the movement in registrations was as follows:

Wood, furniture, saw-mills, timber works etc.: Decreases in Victoria, South Australia and Tasmania (not shown for Queensland).

Engineering, metals etc.: Considerable decrease in Victoria, decreases in South Australia, Queensland and Tasmania.

Food, drink, tobacco: Decreases in Victoria and Tasmania, increase in Queensland. No registrations in South Australia.

/Clothing

(a) Latest figures relate to March which showed a large decrease on the August registrations.

Clothing, hats, boots, etc.: Considerable decrease in Victoria, decreases in Queensland, South Australia and Tasmania.

Books, printing, book-binding: Decreases in Victoria and South Australia, increase in Queensland and no registrations in Tasmania.

Other manufacturing: Decreases in Victoria, increase in Queensland, no registrations in South Australia and no change in Tasmania.

Mining: Considerable decrease in Victoria, decreases in Queensland and Tasmania, no registrations in South Australia.

Land Transport (other than railways and tramways): Decreases in Victoria, Queensland and Tasmania, no registrations in South Australia.

Domestic, hotels, etc.: Decreases in Victoria, Queensland and Tasmania, no registrations in South Australia.

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9th July, 1940.